



IR Acquires IQ Services

Acquisition Extends Prognosis' Capabilities to Include Next Generation Testing of Unified Communications and Contact Centers

Sydney, Australia. – May 4, 2015 – Integrated Research (IR) is pleased to announce the strategic acquisition of the US based IQ Services business.

The acquisition provides IR with a number of strategically significant growth opportunities, both in its existing markets and into new allied markets:

- Provides the only fully integrated proactive systems management and testing product suite for Unified Communications, including the management of Avaya, Cisco and Microsoft's Lync and Skype for Business environments.
- Acquires IQ Services cloud based SaaS testing capabilities to provide a new growth area for the company.
- Provides geographic expansion opportunities for the acquired products into Europe and Asia as IQ Services currently only operates in North America.
- Expands IR's Prognosis product line to provide the most in-depth and seamless approach to gauge the customer's experience and to isolate the root cause of customer service problems within Unified Communications environments and Contact Centers.

IR will pay US\$1.5 million for the business, subject to adjustments, with an effective date of 1 July 2015. There will also be additional performance based earn-out payments over the next three financial years contingent on meeting EBITDA milestones. These earn-out payments are capped at US\$3.5 million. The maximum consideration for the acquisition is US\$5.0 million based on attaining the successful milestones.

"This acquisition is truly exciting as it strategically positions Integrated Research to progressively expand into new technological markets by providing a unique and fully integrated proactive management architecture as well as leveraging our existing customers and markets with substantial new offerings" said Steve Killelea, Chairman, IR.

Some of the other highlights of the transaction are:

- The acquisition will be funded out of existing cash reserves, subject to the conditions precedent with an effective date of 1 July 2015 for the first payment.
- The acquisition is expected to be EPS accretive, exclusive of amortisation of intangible assets and other non-cash items based on projections for FY16.
- IR's range of solutions will be extended to include proactive performance testing of next generation services such as web real-time communication (WebRTC), software

defined networks (SDN), session initiation protocols (SIP), Lync and Skype for Business.

“Organizations must ensure that their Contact Centers offer the highest possible quality of customer interaction if they are to remain competitive,” said Darc Rasmussen, CEO, IR. “The complementary nature of Prognosis’ performance management and IQ Services’ testing will provide unprecedented levels of insight into unified communications & collaboration and contact center ecosystems.” Further he said “Customers can quickly take advantage of the integrated solution to make decisions faster, resulting in fewer outages.”

The combination of IR and IQ Services will create the world’s most complete view of cloud, hybrid and traditional on premises operations for unified communications & collaboration and Contact Center solutions. IQ Services uniquely provides the means to generate voice, data and video traffic to ensure WebRTC interactions work as intended. By 2019, WebRTC will be utilized for 15% of enterprise voice and video communication, up from less than 1% today.

“We are extremely proud of what the employees of IQ Services have achieved to date, especially our customer centric approach and deep domain expertise,” said Russ Zilles, CEO, IQ Services. “The acquisition by IR will mean that we can continue to develop this passion with new likeminded colleagues and take our services to a broader market. We are excited by the possibilities that this brings to our customers, partners and employees.”

By Authority of the Board

Darc Rasmussen
CEO & Managing Director
Integrated Research Limited
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About IR

IR is the corporate brand name of Integrated Research Limited (ASX:IRI), the leading global provider of proactive performance management software for critical IT infrastructure, payments and communications ecosystems. More than 1,000 organizations in over 60 countries—including some of the world’s largest banks, airlines and telecommunication companies rely on IR Prognosis to provide business critical insights and ensure continuity-critical systems deliver high availability and performance for hundreds of millions of their customers across the globe. For further information on IR, visit www.ir.com.